

CONCLUSION: From January 2018 to June 2022, 23 out of 123 personal services procurements were not approved (e.g., withdrawn by the agency or recommended for disapproval by PPRB staff) due to best practices violations. The two most common reasons for a procurement not being approved were blind scoring violations and violations against public notice or publication of documents. Procurements that were not approved cost an estimated \$271,188 to the procuring agencies (e.g., staff salaries, fringe benefits).



BACKGROUND

Prior to 1997, state agencies in Mississippi had freedom to select contractors for personal services with minimal oversight. In 1997, the Mississippi Legislature created the Personal Service Contract Review Board (PSCRB) to set standards for the procurement of personal service contracts. Some specific contracts were excluded from this oversight. In 2017, the Mississippi Legislature merged the functions of PSCRB with PPRB. The legislatively mandated procurement best practices began governing personal service contracting, which ensured a competitive selection process.

Codified in MISS. CODE ANN. Section 31-7-401 (1972) et seq., procurement best practices established all requirements for the process. The most relevant standards include:

- relief from competitive sealed bidding;
- content requirements for RFP/RFQ process;
- public notice and publication of documents;
- evaluation factors;
- evaluation committee requirements; and,
- blind scoring.

MOST COMMON METHODS OF PROCUREMENT

- **Competitive Sealed Bidding (CSB)** is the preferred method for state procurement in which bids are evaluated based on the lowest and best bid.
- **Request for Proposals (RFP)** is used when an agency is seeking a service that is complicated and will require evaluation of many factors other than price alone. Proposals are evaluated based on weighted criteria.
- **Request for Qualifications (RFQ)** is used when an agency knows the service it wants and wants to ensure that experienced and talented offerors are solicited for the contract. Qualifications are evaluated based on weighted criteria.

PROCUREMENT PROCESS FOR RFP OR RFQ



KEY FINDINGS

- **Have agencies had any issues with the best practices?**

From January 2018 to June 2022, the two most common reasons that a procurement was not approved were **blind scoring** violations and violations against **public notice or publication of documents**.

- **How many procurements have not been approved since 2018?**

Out of 123 procurements submitted to DFA since 2018, 91 were approved and 32 were not approved. Of the 32 that were not approved, 23 had best practices violations and 9 were not approved for other reasons.

- **What has been the impact of disqualified procurements?**

PEER estimated the cost of the 22* procurements that were not approved due to best practices violations to be \$271,188. Additionally, at least 9 emergency contracts resulted from those 22 procurements.

- **How is DFA addressing policy issues?**

- **Midpoint review:** In order to prevent procurements from not being approved because of errors such as blind scoring violations, DFA staff will begin implementing a midpoint review. A soliciting agency will be able to submit its procurement(s) to DFA before the evaluation committee begins its scoring process. DFA would be able to catch errors before the procurement has been evaluated and scored.
- **Secondary evaluation committee:** An alternative solution suggested by DFA staff to mitigate unnecessary disapproved procurements—particularly resulting from blind scoring violations—is to create a secondary evaluation committee. If DFA staff discovers a blind scoring violation after the procurement has already been evaluated by the soliciting agency’s initial evaluation committee, DFA staff could send the procurement back to the agency. The agency could then correct the error and submit the corrected procurement to a new evaluation committee.

** PEER analyzed 22 of the 23 procurements that were not approved due to best practices violations. PEER did not analyze financial data from Medicaid’s attempted procurement with MedImpact Healthcare System because this procurement is currently the subject of administrative review.*



RECOMMENDATIONS

1. DFA should implement its midpoint review and the secondary evaluation committee as a means of corrective action for policy issues noted in this report (e.g., blind scoring violations); and evaluate the success of the midpoint review, and if successful, return to the Legislature during the 2024 Regular Legislative Session to update the PEER Committee and the Senate and House Accountability, Efficiency, and Transparency Chairmen on its progress.
2. DFA should build a series of information quick reference guides and make them easily accessible on its website which detail:
 - a. a step-by-step guide to the RFP/RFQ process;
 - b. important RFP/RFQ requirements; and,
 - c. a general Frequently Asked Questions section for the RFP/RFQ process.